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TAGS: [PGOV](#) [KDEM](#) [VE](#)
SUBJECT: Widespread Support for "Chavismo Lite" in Lara State

CLASSIFIED BY: Robin D. Meyer, Political Counselor, DOS, POL; REASON:
1.4(B), (D)

11. (C) Summary: On February 3 and 4, Embaffs visited the city of Barquisimeto in western Lara State, where "Chavista lite" Governor Henri Falcon is widely praised across the political spectrum for his administrative efficiency and relatively moderate political stance. Business leaders noted Falcon's business-friendly approach, but nevertheless expressed concern about their future and openly wondered "how many years we have left." Falcon's popularity has made him a target for criticism and threats by President Chavez. Falcon's aides privately suggested that he was "keeping his options open" regarding his party affiliation, but said that he was loathe to be seen with Ambassador Duddy or U.S. Embassy personnel lest he be ousted from the ruling United Socialist Party of Venezuela (PSUV). The political opposition in Lara appears committed to finding unity candidates for the September National Assembly (AN) elections, but still has no electoral strategy or message. They admit that many opposition supporters voted for Falcon in previous elections. End Summary.

Background on Lara State

12. (SBU) Lara State, in northwestern Venezuela, is regarded as the artisanal and music capital of the country. Barquisimeto, with a population of about 2 million residents, is the third largest city in Venezuela and has become a tourist destination because of its nearby mountainsides and many festivals. The state is primarily agricultural, but it is also home to El Rey chocolates, the Pomar vineyards, and a number of American companies. In November 2008, then-Mayor of Barquisimeto Henri Falcon won the Lara governorship with 73 percent of the vote (versus opposition candidate Pedro Pablo Alcantara's 15 percent).

FALCON WALKS A FINE LINE

13. (C) On February 3, Victor Silva, Falcon's liaison to the Miraflores Presidential Palace, told Emboffs that Falcon would have liked to have met with Emboffs, but felt constrained by the ongoing attacks against him by President Chavez, including Chavez' recent threat to take over the state police for not using force to quell student protests. (Note: Silva had previously told Emboff that Falcon would not be able to meet with Ambassador Duddy during his planned trip to Barquisimeto for the same reasons. End Note.) When Falcon entered the restaurant where Emboffs were meeting with Silva and Carmen Cecilia Arevalo, who works for both Falcon and the Barquisimeto mayor's office, Silva warned that Falcon could not be seen talking publicly with representatives of "the empire" or "he would be expelled from the party the next day." (Note: Falcon was expelled briefly from the PSUV in 2008 for announcing his gubernatorial candidacy without first seeking Chavez's blessing. End Note.)

14. (C) Silva said that Falcon was "keeping his options open" in terms of his political affiliation, but noted that criticism from Chavez could affect Falcon's popularity in other parts of the country (see septel for report that Falcon is in talks with the "Patria para Todos" party). Silva noted that Falcon's 90 percent approval rating, which has surpassed Chavez' in Lara, represents support from both sides of the political spectrum and reflects his reputation for being "open." However, this popularity has created

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enemies within Chavismo, including Minister of Public Works Diosdado Cabello and Luis Reyes Reyes, the newly appointed Minister of Health, who served as governor in Lara while Falcon was mayor. While Falcon has the support of the state's Chavistas, Silva noted that they were still Chavistas whose principal loyalty was toward Chavez. Silva repeatedly asserted that he was a "Chavista of the heart," but cautiously criticized some of Chavez' actions as misguided, ill-advised, or poorly executed, particularly his attacks against the United States and his close ties to Cuba. Silva viewed Chavez' attacks on the U.S. "empire" as part of a strategy to create an external enemy to shore up his domestic support. Both Silva and Arevalo characterized the PSUV Mayor of Barquisimeto Amalia Saez as a "radical" at odds with Falcon, although they said that she was virtually a political unknown and owed her November 2008 election to Falcon's personal endorsement.

FALCON, THE GOOD ADMINISTRATOR

15. (C) Arevalo, who worked with Falcon when he was mayor of Barquisimeto (2000-08), said that the 48-year-old Falcon - a lawyer and ex-military officer - had earned his reputation as an efficient administrator by putting together a team of experienced technocrats and encouraging creative solutions to local problems. She said he had worked on a number of beautification projects for the city, including creating recreational trails and "green zones," helping apartment residents to paint the exterior of high-rise buildings that are visible along the major highway entering the city, and landscaping the major boulevards that crisscross the city. Arevalo noted that Falcon had worked to attract industries and commercial projects; in notable contrast to Caracas, Emboffs saw a number of high-end hotels that had been built in the past few years, several of them attached to a giant Sambil shopping mall that appeared to be thriving. Nevertheless, Arevalo admitted that crime, unemployment, and electricity shortages were critical problems in the city. Electricity rationing had begun in December, with planned electricity cuts several hours each day. Arevalo added

that Falcon had a difficult budget situation because, as governor, he had to rely on funds transferred from the central government, whereas the mayoral budget comes from local taxes and makes Barquisimeto relatively autonomous.

OPPOSITION UNITED, BUT TO WHAT END?

16. (C) On February 4, Emboffs met with the local branch of the opposition unity table ("mesa de unidad"), which included representatives from a dozen regional and national opposition parties, ranging from the left (MAS, Podemos) to the right (COPEI), as well as from civil society and student groups. The group highlighted high crime rates, poor public services, and a lack of jobs for the area's large student population as the key problems in Lara. They acknowledged that they faced less "political persecution" in Lara than in other states, but characterized Falcon as a "soft" Chavista who lacked "independence" and was too "submissive" to Chavez. They nonetheless acknowledged that many in the opposition had voted for Falcon.

17. (C) The student representatives told Emboffs that Falcon had met with student leaders regarding their accusations of police

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brutality during their marches protesting the closure of RCTV - but only after Chavez had threatened to intercede in the Lara state police for Falcon's failure to quell the protests. The students complained that the PSUV and militant "Bolivarian Circles" had infiltrated their protest movement and even entered the homes of several marchers and destroyed private property. In their meeting with Falcon, the students said they had asked him to resolve the security situation in the state and to compensate people who had been hurt or whose property had been destroyed; Falcon had pledged to address both issues.

18. (C) With regards to the September 26 elections for the National Assembly (AN), the "unity table" representatives stressed the theme of "balance of power" within the AN. The unity table was still discussing the process of candidate selection and had not yet decided whether they would be able to reach consensus on all the candidates or would require primaries. The opposition representatives noted that the gerrymandered electoral districts would help Chavismo "but not as much as they think it will." When pressed about the opposition's message for the electoral campaign, the representatives' response was simply a pledge for "unity." They noted that the state had only had Chavista representatives in the AN since 2005 and that the PSUV would likely pour a lot of money into the state ahead of the elections to ensure continued voter support.

CHURCH PRAISES FALCON'S PROFESSIONALISM

19. (C) On February 4, Catholic priests who minister to the western half of Barquisimeto said that crime was the number one problem affecting the city. Unlike the neighboring state of Merida, however, violence was not the result of pro-government

militant groups, such as the "Tupamaros." The priests complained about the culture of clientelism, which Chavismo encourages. They contended that the social missions barely functioned except when they were revitalized in the run-up to elections. As for Falcon, they said that, as mayor, he had worked hard to create an image as business-friendly, but had also spent a considerable amount of time in the poor barrios. They lauded his team as "professionals" valued for their experience rather than just political loyalty. Falcon's effective tenure as mayor had made him popular in the neighboring states of Portuguesa and Yaracuy. The priests were dismissive of the local opposition.

BUT BUSINESS IS NOT GOOD

¶10. (C) On February 4, Econoff met with several businesses leaders in Lara, including the head of the industrial chamber, the real estate chamber, and the local chapter of the Venezuelan-American Chamber of Commerce and Industry (VENAMCHAM). According to this group, Lara is an economic bellwether for the rest of Venezuela because of its mix of agriculture and industry. They agreed that Henri Falcon was supportive of industry and business-compared to other Chavista politicians-but they were extremely pessimistic about Lara's economic future. "We are talking about how many years we have left," said the President of VENAMCHAM in Barquisimeto, Jose Vicente Rios (protect).

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¶11. (C) These representatives from various business sectors complained that expropriations and land invasions had reduced agricultural output and land value in Lara. A local farmers' market now only sells imported agricultural goods. Meanwhile, the business environment in Barquisimeto's industrial zone has deteriorated due to capital flight, which has increased with the risk of expropriation. They repeatedly expressed concern about the recent reform to the Law for the Defense of the People's Access to Goods and Services (INDEPBAIS), which the GBRV used to expropriate the Exitto hypermarket chain and close down businesses for allegedly raising prices illegally. (See Caracas 97 for further analysis of the Exitto expropriation and the INDEPABIS law.) Noting government plans to import thousands of cars from abroad, the owner of several car dealerships in Lara said that the government would try to expropriate his business to use as a distribution network, similar to Exitto's expropriation and merger into the government-run Corporation of Socialist Markets (COMERSO).

¶12. (C) These business leaders said that labor relations in Lara were not as contentious as in other states, and that tensions have cooled even further as many of the Chavista unions have lost credibility with employees after failing to deliver on promises to improve working conditions. As the influence of the Chavista unions has declined, they said that business leaders have offered to negotiate with the unions and even provide free legal services to help them register with the government. They said that the labor difficulties over the past few years have been a sobering experience for business owners, and that they have learned to treat their workers more humanely.

COMMENT

¶13. (C) Across the board, our Lara contacts appeared impressed by Falcon's administrative skills and attempts to occupy a less polarized middle-ground that leaves space for dialogue and dissent. Nevertheless, his future within Chavismo appears uncertain. While regionally he may enjoy higher popularity than Chavez, he does not yet have Chavez' national reach and his gubernatorial resources are vulnerable to central government interference. With decisive legislative elections looming in September, Chavez is likely to have even less tolerance for dissent within his party, suggesting that Falcon will have to fall in line with Chavismo or leave the PSUV for good.

DUDDY